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CHAPTER VII CLAIMS AND ALLOWANCES

SECTION A - GENERAL DISCUSSION

This chapter is devoted to "Claims and Allowances," including within that definition all documents required to be filed with or prepared by the county auditor to support the disbursement of public funds.

The county auditor is without authority to issue a county warrant in payment of any obligation unless a valid claim or voucher has been filed and allowed in the manner provided by law, except in instances where the law authorizes warrants to be issued on the basis of some other supporting document.

In the sections that follow each class of claims and allowances is discussed, together with the laws governing the disbursement of other funds.

SECTION B - CLAIM FORMS

The following claim and voucher forms, all of which are listed in Chapter IV, have been prescribed for use in county offices and departments and, unless an alternate form has been approved, shall be used in all counties:

| <u>Form No.</u> | | <u>Title</u> |
|-----------------|-------------|---|
| Co. 17 | (Rev. 1953) | Accounts Payable Voucher |
| Co. 17BR | (1995) | Indiana Certificate for Refund of Excise Tax |
| Co. 17T | (Rev. 1992) | Claim - Refund of Taxes |
| Co. 7 | (Rev. 1955) | Claim for Burial of Soldiers |
| Co. PR-7 | (Rev. 1953) | Poor Relief Claim |
| Co. PR-7M | (Rev. 1953) | Mileage Claim - Poor Relief Investigator |
| *None | | Change of Venue Claim |
| *None | | Precinct Election Board Claim |
| Gen. 99 | (Rev. 1993) | Payroll Schedule and Voucher |
| Hwy. 2 | (Rev. 1993) | County Highway Payroll Schedule |
| Gen. 99P | (Rev. 1995) | Publishers Claim |
| Gen. 101 | (1955) | Mileage Claim |
| Co. 17HD | (1972) | County Highway Department Claim (Reimbursement for construction and reconstruction costs) |
| Co. 76 | (Rev. 1953) | Sheriff's Claim for Boarding Prisoners |
| GH 15 | (1950) | Schedule of Claims - County Hospital (Used where county auditor serves as disbursing officer) |

*These are approved forms prescribed by law or by another state agency.

All of the above listed forms, by their titles, are self-explanatory as to their uses. Form 17 is required to be used for the payment of all claims against the county, except expenses for which a special claim form has been prescribed or where disbursements are authorized to be made on the basis of other supporting document discussed in this chapter.

SECTION C - ITEMIZATION AND VERIFICATION

A claim or voucher, to be properly itemized, must show kind of service, where performed, dates service rendered, by whom rendered, rate per day, number of hours, rate per hour, price per foot, per yard, per hundred, per pound, per ton, etc.

The Attorney General held in Official Opinion No. 13 (1968) that the attachment of a properly itemized and certified invoice to the front side of a prescribed claim form, in lieu of manual completion of the front side of the claim form, is consistent with the provisions of IC 5-11-10-1. In view of the foregoing opinion certified invoices may be used subject to the following conditions:

1. Invoice is fully itemized, in the manner described on the prescribed Accounts Payable Voucher Form.
2. Invoice is firmly attached to and becomes a permanent part of the prescribed claim and is processed in the same manner as other claims.

SECTION D - AUDIT OF CLAIMS AND VOUCHERS

One of the most important duties of the county auditor, as the title of the office implies, is to audit all claims and vouchers prior to their allowance and payment. It is not expected that the county auditor personally supervise the performance of all work or the delivery of all goods, but to insure a claim or voucher is proper, the following minimum audit steps should be observed:

1. Determine the claim or voucher is properly itemized and verified and, where required, that it is properly supported by freight bills, delivery tickets, or other supporting documents acknowledging delivery of the goods or services.
2. If for personal services, determine that salaries or rates of wages are in strict accordance with those fixed by the county council or by the board or officer having jurisdiction.
3. Determine that prices charged are in accordance with contracts awarded, where applicable, and that statutory authority exists for payment of the claim or voucher.
4. Verify the correctness of the extension on each item, where based on quantity and unit price, and add the detail items to see that the total is correct. Attach the adding machine tape to the claim or voucher.
5. Be sure the claim or voucher has been approved by the officer or department head receiving the goods or services and allowed by the board of county commissioners, the court, or such other board or officer authorized by law to allow the claim or voucher.
6. Determine that sufficient funds and appropriations are available from which to make payment; also, that the claim or voucher has not been previously paid.

It is important that the foregoing audit procedures be observed to insure that all claims or vouchers are paid in good faith and thereby minimize the possible liability for payment of a wrongful or unlawful claim or voucher.

Auditor's Certification

It is the duty of the county auditor after auditing each claim or voucher to certify to the correctness of the claim or voucher in the space provided thereon before such claim or voucher is submitted to the board of county commissioners for its consideration or, in the case of other claims or vouchers, before such claims or vouchers are paid. [IC 5-11-10-2]

Approval of Claims

Each claim or voucher must be approved by the officer or department head receiving the merchandise or services in the space provided on the claim or voucher. In counties having a purchasing department, where a signed receiving memorandum is furnished the auditor and becomes a part of the claim or voucher, further approval is not required. [IC 5-11-10-2]

SECTION E - COMMISSIONERS' CLAIMS AND ALLOWANCES

Filing Claims

All claims or vouchers against the county, unless otherwise expressly provided by law, are required to be filed with the county auditor for consideration by the board of county commissioners. Claims or vouchers must be filed at least five days before the session of the board when such claims or vouchers are to be considered. If a claim or voucher is properly certified and timely filed, the county auditor is without authority to withhold the claim or voucher from the board's consideration, even though the claim or voucher may appear to be improper or incorrect, or for some other reason cannot be paid. [IC 36-2-6-2]

At the close of each filing period, after the reverse side of each claim or voucher has been completed to show the fund name and appropriation and expenditure accounts to be charged, the claims and vouchers should be arranged in the same order as the funds and appropriation accounts are listed in the funds ledger, and should be so entered in the Register of Claims or Accounts Payable Voucher to facilitate processing, payment and posting to ledgers.

Register of Claims

Prior to submission to the board of county commissioners, all claims or vouchers must be entered in claim number order in the Accounts Payable Register, General Form No. 364 (1996). This is a loose-leaf form and contains columns to show the date each claim or voucher was filed, the claim or voucher number, the name of the claimant, the office, department or fund, the amount of the claim or voucher, the amount allowed and the warrant number. [IC 5-11-10-2]

If a claim or voucher is not allowed by the board of commissioners, the word "Disallowed" shall be inserted in the column headed "Amount Allowed"; if a claim or voucher is continued for later consideration, by the board, the word "Continued" shall be inserted in that column. When a claim or voucher is continued it shall be reentered on the Accounts Payable Register for the next meeting of the board under the original assigned claim or voucher number.

The board of county commissioners is permitted to sign the "Allowance of Claims" or "Accounts Payable Register" in lieu of signing each individual claim or voucher.

Publication of Claims Prior to Allowance

It shall be the duty of every county auditor to publish all claims or vouchers filed for consideration of the board of county commissioners at least three days prior to the meeting date when the claims or vouchers are to be considered and acted upon by the board. [IC 36-2-6-3]

Allowance of Claims

No claim or voucher shall be allowed by the board of county commissioners unless such claim or voucher has been duly itemized.

The board of county commissioners shall examine the merits of all claims or vouchers so presented and may, in its discretion, allow such claim or voucher, in whole or in part, as they may find to be valid. [IC 36-2-6-2] It is unlawful for any board of commissioners of any county or for any member thereof to make any allowance or to allow any claim or voucher against the county, or order the issuance of any county warrant for the payment of any sum of money, except at a regular or special session of the board. [IC 36-2-6-4] Each claim or voucher must show the date and amount allowed. If a claim or voucher is disallowed in whole or in part, this should be clearly shown on the claim or voucher and on the docket or register.

SECTION F - COURT ALLOWANCES

The judge of each circuit, superior, probate, juvenile, criminal and county court is empowered to allow claims or vouchers of the court, including offices, departments and institutions under jurisdiction of the court, such as court administrator, probation department and juvenile detention center.

Claims or vouchers should be filed on the applicable prescribed claim or voucher forms listed on page 7-1 and should be itemized and verified in the same manner as other claims or vouchers against the county. The court's allowance should appear on the face of each claim or voucher in the space normally used by the board of county commissioners in allowing claims or vouchers. In some counties a form of court order or court allowance is used, listing claim or vouchers allowed by the court accompanied with supporting claims or vouchers and invoices, in lieu of each claim or voucher being individually allowed, and this procedure is acceptable.

Claims or vouchers of the court are not subject to allowance by the board of county commissioners.

Publications of Claims Prior to Issuance of Warrant

It shall be the duty of every county auditor to publish all allowances made by the judge of any of the courts of the county at least three days before the issuance of warrants in payment of such allowances. [IC 36-2-6-3]

The provisions of IC 36-2-6-3 do not apply to claims or vouchers for statutory salaries, per diem of jurors and salaries of officers of the courts.

Publication of Court Allowances

It shall be the duty of every county auditor to publish all allowances made by a circuit or superior court within sixty (60) days after the allowances are made. [IC 36-2-6-3]

SECTION G - WELFARE CLAIMS AND SCHEDULES OF ALLOWANCES

Schedules of awards, grants and public assistance approved by the county welfare director are paid upon the basis of allowance schedules filed by the welfare department and are not to be submitted to the board of county commissioners for allowance, or published prior to or after allowance.

SECTION H - COUNTY HOSPITAL CLAIMS

All county hospital claims or vouchers must be allowed and approved by the governing board before payment by the disbursing officer. However, the board may, subject to review and approval at the board's next regular meeting, authorize the compensation of hospital employees upon certification of payrolls by the executive director or payment of invoices for materials, services, equipment, and supplies required for the operation and maintenance of the hospital upon certification by the executive director. [IC 16-22-3-7]

In those counties where the county treasurer serves as treasurer and the county auditor serves as disbursing officer for the hospital, Payroll Schedule and Voucher, Form 99 (Rev. 1985), should be submitted to support payment of salaries and Schedule of Claims, Form GH-15 (1950), should be submitted to support payment of all other expenses. Both of these forms should show approval of the governing board of the hospital and/or certificate of the executive director. County hospital claims or vouchers should not be submitted to the board of county commissioners for allowance nor advertised prior to or after payment. [IC 16-22-2-9]

SECTION I - COUNTY AVIATION DEPARTMENT CLAIMS

County boards of aviation commissioners are authorized to allow county aviation department claims or vouchers by the provisions of IC 8-22-2-4 and 8-22-2-5. In those counties where the county board of aviation commissioners meet on a regular basis and allow aviation department claims or vouchers, it is not necessary to submit the claims or vouchers to the board of county commissioners for allowance nor is it necessary to advertise the claims or vouchers prior to allowance or after payment; however, in those counties where the board of aviation commissioners does not meet on a regular basis or does not allow the aviation department claims or vouchers, the claims or vouchers should be submitted to the board of county commissioners for allowance and should be advertised in the same manner as other commissioners' claims or vouchers are advertised.

SECTION J - COUNTY PARK AND RECREATION DEPARTMENT CLAIMS

County boards of parks and recreation are authorized to allow park and recreation department claims or vouchers by the provisions of IC 36-10-3-11. In those counties where the county board of parks and recreation meet on a regular basis and allow parks and recreation department claims or vouchers, it is not necessary to submit the claims or vouchers to the board of county commissioners for allowance nor is it necessary to advertise the claims or vouchers prior to allowance or after payment; however, in those counties where the board of parks and recreation does not meet on a regular basis or does not allow the county parks and recreation department claims or vouchers, the claims or vouchers should be submitted to the board of county commissioners for allowance and should be advertised in the same manner as other commissioners' claims or vouchers are advertised.

SECTION K - COUNTY AGRICULTURAL EXTENSION OFFICE CLAIMS

All claims or vouchers covering salaries and expenses of the county agricultural extension office shall be submitted to Purdue University for approval. [IC 20-12-42.1-4] These claims or vouchers should not be submitted to the board of county commissioners for allowance nor advertised prior to or after payment.

SECTION L - CLAIMS FOR EXAMINATION OF RECORDS

Claims or vouchers for the expense of examination of records by the State Board of Accounts are certified by the State Examiner to the auditor of each county periodically throughout the year. The claim or voucher covers the number of days actually served by field examiners in examining the records of each taxing unit in the county at the rate per day set by IC 5-11-4-3. The provisions of this statute require that immediately upon receipt of the certified statement, the county auditor shall issue a warrant on the county treasurer payable to the Treasurer of State out of the general fund of the county for the amount stated in the certificate. The expense paid for all units, except county offices, is to be deducted from the next semiannual tax settlement to each of such units and reimbursed to the county general fund.

SECTION M - CHANGE OF VENUE CLAIMS

In all cases where a change of venue is taken from one county to another, the county in which the cause originated shall pay all expenses incurred by the county to which the case was venued. [IC 34-2-15-1]

The change of venue claim or voucher shall be prepared by the clerk of the circuit court in duplicate and must be signed by the judge and the clerk and issued under the seal of the court.

The chargeable items of expense to be audited and allowed by the court are set out in IC 34-2-15-1.

Upon receipt of a change of venue claim or voucher from another county, the county auditor shall check with the clerk of the circuit court to insure that the claim or voucher is properly payable by the county, that the chargeable items of expense are correct, and shall present the claim or voucher to the board of county commissioners for allowance.

The auditor's "Venue Record," County Form No. 56 (Rev. 1953) shall be used to record change of venue claims or vouchers received, or payable by other counties. A separate sheet should be kept in this record for each county.

When a claim or voucher against another county is received from the clerk of the circuit court it shall be entered in the venue record, one copy of the claim or voucher mailed to the auditor of the county from which payment is due, and one copy filed in the county auditor's office.

Upon receipt of payment from another county the amount received shall be receipted into the county general fund by quietus, and the date, quietus number, and amount received shall be entered in the venue record. The auditor shall also enter or cause this information to be entered in the change of venue record in the office of the clerk of the circuit court. If a claim or voucher is not paid within a reasonable time after it is mailed to another county, the county auditor should follow-up the nonpayment by contacting the auditor of such county.

SECTION N - BONDS AND INDEBTEDNESS

The payment of bonds and interest coupons is governed by terms of the bond ordinance and no further allowance or authority is required to pay such indebtedness. The same is true of notes or other indebtedness.

If the bond ordinance provides for payment of bonds and coupons at the office of the county auditor or county treasurer, a warrant should be drawn on the appropriate bond or sinking fund in an amount equal to the face value of the bonds and coupons presented for payment.

If the bond ordinance provides for payment of bonds and coupons at a certain bank as "Paying Agent," payment should be made to the bank, on or immediately prior to each due date, as specified in the ordinance, for the total amount of bonds and coupons due and payable on such due date, plus the paying agent's fees, if any. The paying agent should render a statement of such account and turn over paid bonds and coupons periodically, preferably at the end of each month.

The county auditor is required to keep a record of bonds and coupons paid in the prescribed Bond Register, Form No. 53. The Bond Register should at all times show the unpaid bonds and coupons. In the case of a paying agent, the balance on the statement furnished by the paying agent should equal the matured bonds and coupons not yet surrendered and paid by the paying agent.

The statements and all bonds and coupons (properly canceled or stamped to show payment) must be carefully preserved. The bonds and coupons represented by each warrant should be filed in a separate jacket (or envelope) and the date, warrant number and amount paid shown on the jacket. If bonds and coupons are paid by a paying agent, they should be filed with the statement of the paying agent's account in a separate jacket and the date of the statement shown on the jacket.

Within a reasonable time after the due date of the last maturing bond any balance in a paying agent's account resulting from bonds or coupons not presented for payment should be returned by the paying agent to the county. The balance should then be receipted into the appropriate bond or sinking fund and held for payment of the outstanding bonds and coupons.

If the bond ordinance specifically provides for payment of bonds and coupons at the office of the county auditor, there is no authority for a bank to act as paying agent.

SECTION O - FUNDS DUE STATE OF INDIANA

All warrants in payment of funds due the State of Indiana should be made payable to the Treasurer of State, unless specifically instructed by the applicable state agency. The warrants should, however, be mailed to the state agency to insure proper credit.

The statutes provide for reports to be prepared to accompany remittances for such items as: surplus dog tax, gross income tax on real estate, inheritance tax, unclaimed warrants, fines and forfeitures and common school fund interest. Family violence and victim assistance fees and infraction judgment fees will be remitted in this manner beginning in June, 1988. The clerk of the circuit court will remit the state's portion of court costs directly to the auditor of state semiannually. No further authority, or allowance by the board of county commissioners, is required to pay such funds to the State of Indiana.

When a certified statement is received from a state agency for funds due the State of Indiana for services, materials, equipment or contractual obligations, the claim or voucher should be submitted to the board of county commissioners or other board having jurisdiction over the allowance of the claim or voucher. If the certified statement is not submitted on a prescribed claim or voucher form, it should be attached to Accounts Payable Voucher Claim Form No. 17 to be filed and processed in the same manner as other claims or vouchers. An exception to this requirement is the statement received from the State Board of Accounts for examination of records, which IC 5-11-4-3 provides shall be paid "immediately upon receipt of such certified statement."

SECTION P - DISTRIBUTIONS TO GOVERNMENTAL UNITS

The county auditor is authorized to make distributions of funds due the State of Indiana and local governmental units within the county without allowance or approval of the board of county commissioners. Distributions of property taxes, bank, building and loan taxes, license excise taxes and any other distribution which includes two (2) or more funds or sources shall be accompanied by a Certificate of Tax Distribution, Form No. 22 (Rev. 1985). If a distribution (other than property tax settlement) includes only one fund or source and the fund or source is shown on the warrant, it is not necessary to furnish a certificate of tax distribution.

Warrants for all distributions should be made payable to the fiscal officer or treasurer of the governmental unit by title, for example: Trustee, Washington Township; Clerk-Treasurer, Town of Rockville, Treasurer, North Putnam Community School Corporation. The personal name of a public official should not be shown on any warrant payable to a state agency or local governmental unit.

SECTION Q - TAX SALE REDEMPTION

An owner, occupant, or person with a substantial property interest of public record in real property sold at the tax sale may redeem the property at any time before a tax deed is issued. [IC 6-1.1-25-1]

When real property is redeemed and the certificate of sale is surrendered to the county auditor, the auditor shall issue a warrant to the person surrendering the certificate in an amount equal to the amount received by the county treasurer for redemption. [IC 6-1.1-25-3]

For information regarding the amount required for redemption see Chapter IX.

SECTION R - SURPLUS TAX FUND

The portion of a tax or special assessment payment which exceeds the amount actually due shall be receipted into a special fund to be known as the "Surplus Tax Fund." Amounts receipted into this fund shall first be applied to the taxpayer's delinquent taxes in the manner provided in IC 6-1.1-23-5(b); the taxpayer may then file a verified claim for money remaining in the surplus tax fund. The county treasurer or county auditor shall require reasonable proof of payment by the person making the claim. If the claim is approved by the county auditor and the county treasurer, the county auditor shall issue a warrant to the taxpayer for the amount due the taxpayer. [IC 6-1.1-26-6] No allowance by the board of county commissioners is required.

SECTION S - REMITTANCE OF PAYROLL DEDUCTIONS

To properly account for the remittance of payroll deductions, it is recommended that each electronic transfer be supported by an Accounts Payable Voucher Form No. 17; that there be firmly attached thereto remittance reports and other documents supporting the electronic transfer; and that the claim or voucher be filed in an orderly manner for reference and audit purposes.

If the remittance is for tax or other funds payable to an agency of the State of Indiana or the Federal Government, such as Federal Withholding Tax, Social Security (FICA Tax), State Withholding Tax, County Adjusted Gross Income Tax or employees' contributions to Public Employees' Retirement Fund, the claim or voucher need not be signed by the agency to which the payment is made nor allowed by the board of county commissioners prior to payment. The same is true with respect to assignments of wages for other purposes, such as insurance programs, United Fund contributions, purchase of government bonds, membership dues, etc., if fully paid by employees. Except for Social Security, however, if county funds are to be disbursed in support of an employee's benefit program, such as group insurance, the claim or voucher should be submitted to the board of county commissioners for allowance. A claim or voucher should also be submitted to the board for the county's portion of contributions payable to Public Employees' Retirement Fund.

SECTION T - OTHER WARRANTS

In addition to the foregoing, the county auditor is authorized to issue other warrants for such items as a loan from one fund for the benefit of another fund, transfer of money between funds for the correction of errors, congressional school fund and cemetery fund loans (see Chapter XI) and investment of county funds, which are supported by law or by ordinance or resolution of the county council or board of county commissioners.

Care should be taken, however, before any county warrant is issued, to see that such warrant is properly supported by a duly allowed claim or voucher and in instances where a claim or voucher is not required that it is supported by statutory authority as outlined in this chapter.

SECTION U - FILING AND PRESERVATION OF CLAIMS AND OTHER DOCUMENTS

It is imperative that all claims or vouchers and other documents supporting warrants issued be filed in an orderly manner and carefully preserved.

All claims or vouchers allowed by the board of county commissioners should be filed together in either claim or voucher number or warrant number order. Separate files should also be maintained for claims or vouchers and allowances of courts, welfare department, county aviation department, county park and recreation department, county agricultural extension office and any other offices and departments whose claims or vouchers are not allowed by the board of county commissioners.

Original claims or vouchers, together with original supporting invoices, delivery tickets and other documents should be permanently retained in the county auditor's office. Do not permit any claim or voucher or supporting document to be removed from the files. If a copy of any claim or voucher is requested either a duplicate or a photocopy should be furnished.

Separate files should also be maintained for ready reference for such items as reports and remittances to agencies of the State of Indiana and the Federal Government, as well as warrants issued for other purposes.

SECTION V - POOR RELIEF CLAIMS

Pursuant to IC 12-20-20-1 each township trustee, unless the township trustee is authorized to pay poor relief, is required to file poor relief claims with the county auditor at the close of each month for payment. Such claims are required to be certified to by the township trustee and shall have attached thereto the original township poor relief order or orders. The claims are required to be audited by the county auditor prior to payment and shall be paid not less than once monthly when other county claims are usually paid.

When the claims are received they shall be entered in the Register of Poor Relief Claims, County P.R. Form No. 4, discussed on page 6-2. A separate register shall be set up for each township. The register serves not only as a register of claims but also in accounting for poor relief appropriations.

Such claims are not required to be advertised prior to or after payment.

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